

SIL INVESTMENTS LIMITED

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (the "Board") of SIL Investments Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy is in terms of Regulation 16 (1) (c) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015') with the Stock Exchanges.

2. Policy Objective

To determine the Material Subsidiaries of SIL Investments Limited and to provide the governance framework for such subsidiaries.

3. Definitions

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Regulations, 2015 and the Companies Act, 2013 and rules made thereunder.

"Board of Director" or "Board" means the Board of Directors of SIL Investments Limited, as constituted from time to time.

"Company" means SIL Investments Limited.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria's for independence under the Companies Act, 2013 and the Listing Regulations, 2015.

"Policy" means Policy on Material Subsidiary.

"Material Subsidiary" shall mean a Subsidiary, whose income or networth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses

or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

"Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

4. Policy

1. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:
 - a. whose networth exceeds 10% of the consolidated networth of the Company and its subsidiary/ies as per the immediately preceding accounting year; or
 - b. which have generated 10% of the consolidated income of the Company and its subsidiary/ies in the immediately preceding accounting year.
2. One **Independent Director** of the Company shall be a director on the Board of the unlisted Material Subsidiary whether incorporated in India or not. For this purpose, an unlisted material subsidiary mean an unlisted subsidiary company, whose income or networth exceeds 20% of the consolidated income of networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on quarterly basis.
4. The minutes of the Board meetings of the unlisted subsidiary companies shall be placed before the Board of the Company.
5. The management shall bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company on a periodical basis.
6. All material unlisted subsidiaries incorporated in India shall undertake secretarial audit which report shall be annexed with the Annual Report of the Company.
7. Furthermore, where a listed holding company has listed subsidiary which is itself a holding company, the following clauses of policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. ceases the exercise of control over the Subsidiary; or

- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year

Exception:

However, where a divestment is made under a scheme of arrangement or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved, the aforesaid restrictions shall not apply.

6. Disclosures

The weblink of the Policy for determining material subsidiaries is to be disclosed in the Annual Report of the Company, as per the provisions of laws in force & the policy shall also be uploaded on the website of the Company.

7. Interpretation

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

This policy is approved by the Board of Directors on 01st April, 2019

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